



**HOUSING AUTHORITY
of the County of Los Angeles**

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William K. Huang
Acting Executive Director

September 16, 2008

The Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Commissioners:

**APPROVE SETTLEMENT OF TORT LIABILITY AND CIVIL RIGHTS CASE OF
SHALON ENNIS AND ERICA LEWIS VS. THE HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES AND CARLOS JACKSON**

**CASE NO. BS 098 739
(ALL DISTRICTS) (3 VOTE)**

SUBJECT

This is a tort liability and civil rights lawsuit filed by Neighborhood Legal Services (NLS) on behalf of two Section 8 housing recipients, Sharon Ennis and Erica Lewis (Plaintiffs), seeking damages for the loss of their Section 8 vouchers, violation of their civil rights, emotional distress, and other general damages allegedly incurred on August 13, 2004 and October 7, 2004.

The case was mediated twice, first on August 1, 2007 and again on September 28, 2007, without settlement. The case was again negotiated toward settlement on May 5th and 6th, 2008. The proposed settlement is the result of the May 2008 negotiations.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that approval of a settlement in the above tort liability and civil rights case is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action is not defined as a project under CEQA.
2. Approve a settlement in the amount of \$49,999.99 to Erica Lewis and \$15,000.00 to Sharon Ennis for Ennis and Lewis vs. the Housing Authority of the County of Los Angeles and Carlos Jackson and authorize the Acting Executive Director to execute a settlement agreement, following approval as to form by County Counsel.



PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to approve the settlement of this case against the Housing Authority of the County of Los Angeles (Housing Authority) and Carlos Jackson, former Executive Director of the Community Development Commission and the Housing Authority in the amount of \$64,999.99 in lieu of proceeding to litigation.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The financing of the proposed settlement agreement will be paid from the Housing Authority's general funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Both Shalon Ennis and Erica Lewis were Section 8 housing recipients living in separate homes in Lancaster, California, in 2004. Plaintiffs claim their homes were investigated on August 13, 2004 and October 7, 2004 by Housing Authority investigators and the Los Angeles County Sheriff's Department.

During the visits, the Housing Authority investigators found illegal narcotics and/or unauthorized tenants living in the homes. This information was the basis for the Housing Authority investigators' recommendation to terminate the Section 8 benefits for both Ms. Ennis and Ms. Lewis. Informal hearings were conducted wherein the informal hearing officers upheld the recommendations for termination and removed both Ms. Ennis and Ms. Lewis from the Section 8 program.

Writs of Mandates to appeal the decisions of the informal hearing officers were heard by the Honorable Dzintra Janavs. The Court ordered that the Section 8 benefits of Ms. Lewis be reinstated, but found the decision by the informal hearing officer for Ms. Ennis to be appropriate. Ms. Lewis was re-issued a voucher to locate housing on January 19, 2007. Ms. Lewis located a unit and the Housing Authority began to pay Housing Assistance Payments for a new contract that became effective on April 2, 2007.

Subsequently, Ms. Ennis and Ms. Lewis filed the action that is the subject of this Board letter. The case was mediated twice; first on August 1, 2007 and again on September 28, 2007, without settlement. The case was again negotiated toward settlement on May 5th and 6th, 2008. The proposed settlement is the result of the May negotiations.

If the matter proceeds to trial, the Plaintiffs will seek estimated damages and fee recovery in the amount of \$2,740,000.00. The proposed settlement allows the Housing Authority to settle all claims in this case for \$64,999. The settlement proceeds will be allocated so that Ms. Ennis receives \$15,000.00 and Ms. Lewis receives \$49,999.99.

On August 27, 2008, the Housing Commission recommended approval of the proposed settlement.

ENVIRONMENTAL DOCUMENTATION:

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. This action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES

This settlement will avoid further litigation expenses and conclude this lawsuit.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "William K. Huang". The signature is fluid and cursive, with the first name "William" and last name "Huang" clearly distinguishable.

WILLIAM K. HUANG
Acting Executive Director

c: County Counsel